

Registre de Commerce et des Sociétés

**B164586** - L150061927

déposé le 10/04/2015

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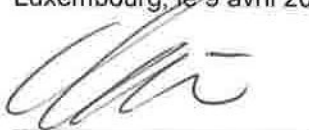
**JAB Holding Company s.à r.l.**  
***société à responsabilité limitée***  
**Siège social: 5, rue Goethe, L-1637 Luxembourg,**  
**R.C.S. Luxembourg: B 164.586**  
**Capital social: USD 9,896,427.-**  
**CDO 751**

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Les comptes annuels au 31 décembre 2014 ont été déposés au registre de commerce et des sociétés.

Pour mention aux fins de publication au Mémorial, Recueil Spécial des Sociétés et Associations.

Luxembourg, le 9 avril 2015



Carsten Söns  
Mandataire

Registre de Commerce et des Sociétés

**B164586** - L150061927

enregistré et déposé le 10/04/2015

**JAB Holding Company S.à r.l., Luxembourg**

JAB Holding Company S.à r.l.

Luxembourg

Annual Accounts 2014  
(with the report of the Réviseur d'Enterprises agréé thereon)

5, rue Goethe, 1637 Luxembourg  
B 164.586

**JAB Holding Company S.à r.l., Luxembourg**

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**JAB Holding Company S.à r.l., Luxembourg****Balance Sheet as of 31 December 2014**

	Note	31 December 2014		31 December 2013	
		in \$k	in \$k	in \$k	in \$k
<u>Non-current assets</u>					
Subsidiaries	5	<u>16,162,443</u>		<u>9,126,214</u>	
			16,162,443		9,126,214
<u>Current assets</u>					
Other receivables	6	1,396		1,502	
Cash and cash equivalents	7	<u>277</u>		<u>143</u>	
			1,673		1,645
			<u>16,164,116</u>		<u>9,127,859</u>
<u>Shareholder's equity</u>					
	8				
Issued share capital		8,800		5,342	
Share premium		10,038,152		5,235,534	
Fair value reserve		5,772,203		3,511,551	
Retained earnings		<u>-1,233,748</u>		<u>-973,241</u>	
			14,585,407		7,779,186
<u>Non-current liabilities</u>					
Redeemable shares	9	122,249		116,093	
Other liabilities	10, 11	<u>745,974</u>		<u>568,809</u>	
			868,223		684,902
<u>Current liabilities</u>					
Redeemable shares	9	709,326		662,546	
Other liabilities	10, 11	<u>1,160</u>		<u>1,225</u>	
			710,486		663,771
			<u>16,164,116</u>		<u>9,127,859</u>

The notes on pages 7 to 31 are an integral part of these financial statements

**JAB Holding Company S.à r.l., Luxembourg****Statement of Comprehensive Income for the year ended 31 December 2014**

		<b>2014</b>	<b>2013</b>
	Note	<b>in \$k</b>	<b>in \$k</b>
Finance income	12	<u>0</u>	<u>20</u>
Finance expenses	12	<u>-60,946</u>	<u>-104,862</u>
<b>Finance result</b>		<u>-60,946</u>	<u>-104,842</u>
General and administrative expenses	13	<u>-199,560</u>	<u>-314,224</u>
<b>Result before income taxes</b>		<u>-260,505</u>	<u>-419,066</u>
Income tax expense	14	<u>-2</u>	<u>-4</u>
<b>Result for the year</b>		<u>-260,507</u>	<u>-419,070</u>
Items that may be reclassified subsequently to profit and loss:			
Net change in fair value of available-for-sale financial assets	8.2	<u>2,260,652</u>	<u>1,438,096</u>
<b>Other comprehensive income</b>		<u>2,260,652</u>	<u>1,438,096</u>
<b>Total comprehensive income attributable to equity holder</b>		<u>2,000,145</u>	<u>1,019,026</u>

The notes on pages 7 to 31 are an integral part of these financial statements

## JAB Holding Company S.à r.l., Luxembourg

## Statement of Changes in Equity for the year ended 31 December 2014

	Note	Share Capital in \$k	Share premium in \$k	Fair value Reserve in \$k	Retained Earnings in \$k	Total equity in \$k
<b>Balance as of 31 December 2012</b>		<b>5,342</b>	<b>5,336,858</b>	<b>2,073,455</b>	<b>-554,171</b>	<b>6,861,484</b>
Net change in the fair value of available-for-sale financial assets	8	0	0	1,438,096	0	1,438,096
Total income and expense recognised directly in equity		0	0	1,438,096	0	1,438,096
Result for the year		0	0	0	-419,070	-419,070
Total recognised income and expense		0	0	1,438,096	-419,070	1,019,026
Repayment of share premium	8	0	-101,324	0	0	-101,324
<b>Balance as of 31 December 2013</b>		<b>5,342</b>	<b>5,235,534</b>	<b>3,511,551</b>	<b>-973,241</b>	<b>7,779,186</b>
Net change in the fair value of available-for-sale financial assets	8	0	0	2,260,652	0	2,260,652
Total income and expense recognised directly in equity		0	0	2,260,652	0	2,260,652
Result for the year		0	0	0	-260,507	-260,507
Total recognised income and expense		0	0	2,260,652	-260,507	2,000,145
Contributions	8	3,462	5,135,538	0	0	5,139,000
Cancellation of shares	8	-4	4	0	0	0
Repayment of share premium	8	0	-332,924	0	0	-332,924
<b>Balance as of 31 December 2014</b>		<b>8,800</b>	<b>10,038,152</b>	<b>5,772,203</b>	<b>-1,233,748</b>	<b>14,585,407</b>

The notes on pages 7 to 31 are an integral part of these financial statements

**JAB Holding Company S.à r.l., Luxembourg****Cash Flow Statement for the year ended 31 December 2014**

	Note	2014 in \$k	2013 in \$k
<b>Cash flows from operating activities</b>			
Result for the year		-260,507	-419,070
Adjustments for:			
Share based payment transactions		178,855	300,869
Tax expense		2	-4
Finance income and expenses	12	<u>60,946</u>	<u>104,842</u>
		-20,704	-13,363
Change in other receivables	6	106	-341
Change in other current liabilities	11	-61	-2,187
Income taxes paid		-7	4
<b>Net cash from / (used in) operating activities</b>		<u><u>-20,666</u></u>	<u><u>-15,887</u></u>
<b>Cash flows from investing activities</b>			
Capital repayments from subsidiaries	5	35,000	10,700
Contribution payments to subsidiaries	5	-3,500	-10,500
<b>Net cash from / (used in) investing activities</b>		<u><u>31,500</u></u>	<u><u>200</u></u>
<b>Cash flows from financing activities</b>			
Payments from issue of redeemable shares	9	9,440	25,511
Capital repayments on redeemable shares	9	-20,139	-10,051
<b>Net cash from / (used in) financing activities</b>		<u><u>-10,699</u></u>	<u><u>15,460</u></u>
<b>Movement in cash and cash equivalents</b>		135	-227
Cash and cash equivalents as of 31 December 2013		143	372
Effects of exchange rate changes on cash and cash equivalents		-1	-2
<b>Cash and cash equivalents as of 31 December 2014</b>		<u><u>277</u></u>	<u><u>143</u></u>

The notes on pages 7 to 31 are an integral part of these financial statements

## **JAB Holding Company S.à r.l., Luxembourg**

### **Notes to the financial statements**

#### **1. Reporting entity**

JAB Holding Company S.à r.l. (formerly Joh. A. Benckiser S.à r.l.; the "Company") is a Company domiciled in Luxembourg. The address of the Company's registered office is 5, rue Goethe, 1637 Luxembourg. The Company's object is to act as a holding company and therefore the acquisition of participations. The Company is focused on generating superior returns from long-term investments in companies with premium brands and strong growth and margin dynamics.

The Company is formed for an unlimited period.

As of 31 December 2014, the Company's majority shareholder is Agnaten SE (formerly Parentes Holding SE), which is domiciled in Rooseveltplatz 4-5, 1090 Vienna, Austria.

In December, 2011, the Company entered into a comprehensive agreement with Agnaten SE, Lucesca SE (formerly Donata Holding SE), an Advisory Committee and further investors. The agreement envisages a long-term support for Agnaten SE and Lucesca SE by the Advisory Committee to further develop the Group's business. In January 2012, Agnaten SE contributed its JAB Holdings B.V. participation to the Company. The agreement provides for a service agreement and a long-term incentive plan for the Advisory Committee as well as capital contributions of the Advisory Committee and other investors.

In January 2014, Donata Holdings B.V. contributed its whole participation in JAB Holdings II B.V. to the Company in return for 3,461,551 of the ordinary shares in the Company. Subsequently, the Company contributed the JAB Holdings II B.V. participation via JAB Investments S.à r.l. to JAB Holdings B.V. and JAB Holdings II B.V. was merged into JAB Holdings B.V. The merger entered into effect on 21 January 2014 one day after the execution of the deed of the legal merger and JAB Holdings II B.V. was deregistered on 21 January 2014.

#### **2. Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

These financial statements were authorised for issue by the board of directors on 12 March 2015.

These financial statements represent the statutory annual accounts.

#### **3. Basis of preparation**

The financial statements are presented in thousands of US-Dollar's (USD), which is the functional currency of the Company. They are prepared on the historical cost basis except for the following material items:

- derivative financial instruments are measured at fair value
- available-for-sale financial assets are measured at fair value.



## **JAB Holding Company S.à r.l., Luxembourg**

The separate financial statements prepared in conformity with IFRS require management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The key assumptions concerning the future and other key sources of estimation of uncertainty at the reporting date relate to the fair value determination of the Company's investments. Management uses its judgment in selecting appropriate valuation techniques.

The estimates and associated assumptions are based on historical experience and various other factors, such as planning as well as expectations and forecasts of future events that are deemed to be reasonable. As a consequence of the uncertainty actual results may differ from the estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### **4. Significant accounting policies**

The accounting policies set out below have been applied consistently during the year presented in these financial statements.

#### **4.1 Consolidation**

The Company prepares consolidated accounts in accordance with International Financial Reporting Standards. The consolidated financial statements which are subject to publication as prescribed by the Luxembourg Law are available at the Companies Register Luxembourg.

#### **4.2 Foreign currency transactions**

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to USD at the exchange rate at that date. Foreign currency differences arising on translation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments, a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, which are recognised directly in equity.

#### **4.3 Determination of fair value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the principal or, in its absence, the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible for the Company.

The most reliable evidence of fair value is quoted prices in an active market. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques, maximising

## **JAB Holding Company S.à r.l., Luxembourg**

the use of relevant observable inputs and minimising the use of unobservable inputs.

Valuation techniques include using recent arm's length transactions, reference to the current market value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible.

### **4.4 Subsidiaries**

Subsidiaries are those entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The investments in subsidiaries are accounted for in accordance with IAS 39 at fair value as available-for-sale financial assets.

### **4.5 Financial instruments**

#### **Non-derivative financial instruments**

Non-derivative financial instruments comprise investments in equity (including subsidiaries) and debt securities, trade and other receivables, including cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Accounting for finance income and expenses is discussed in note 4.9.

#### *Held-to-maturity investments*

If the Company has the positive intent and ability to hold debt securities to maturity, then they are classified as held-to-maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method, less any impairment losses. As of 31 December 2014 the Company does not hold any held-to-maturity investments.

#### *Available-for-sale financial assets*

The Company's investments in equity instruments (including subsidiaries) are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein (when these can be measured reliably), other than impairment losses (see note 4.6), are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is de-recognised, the cumulative gain or loss in equity is transferred to profit or loss. When fair value cannot be measured reliably, the investment is carried at cost less impairment losses.

**JAB Holding Company S.à r.l., Luxembourg***Financial assets at fair value through profit or loss*

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss. As of 31 December 2014 the Company does not hold any financial assets at fair value through profit or loss.

*Redeemable shares*

Different classes of the Company's shares contain put features. The shares are redeemable under certain conditions that are out of the Company's control. An obligation to purchase its own equity instruments gives rise to a financial liability. As such the shares are recognised as a liability. The redeemable shares are carried at the redemption amount that would be payable at the balance sheet date if the holder would put the shares at this date. Changes in the measurement of that financial liability are recognised in profit and loss.

*Other*

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

**Derivative financial instruments**

As of 31 December 2014 the Company does not hold derivative financial instruments other than put features included in share-based transactions.

**4.6 Impairment****Financial assets**

Financial assets, other than those at fair value through profit or loss are assessed for objective evidence of impairment at each reporting date. Evidence of impairment may include indications that the debtors of the Company is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows. For an investment in an equity instrument objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in profit or loss.

## **JAB Holding Company S.à r.l., Luxembourg**

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost and the current fair value, less any impairment losses previously recognised in profit or loss. Impairment losses on equity instruments are not reversed through profit or loss; increases in their fair value are recognised in other comprehensive income.

### **Non-financial assets**

The carrying amounts of the Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount.

### **4.7 Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

### **4.8 Dividend income**

Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

### **4.9 Finance income and expense**

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, dividends on redeemable shares classified as liabilities, changes in the redemption amount of redeemable shares classified as liabilities, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets, and losses on

## **JAB Holding Company S.à r.l., Luxembourg**

hedging instruments that are recognised in profit or loss. All borrowing costs are recognised in profit or loss using the effective interest method.

Finance income and expenses include foreign currency gains and losses which are reported on a net basis.

Income and expenses are presented on a net basis only when permitted under IFRS, for example, for gains and losses arising from a group of similar transactions, such as gains and losses from financial instruments at fair value through profit or loss.

### **4.10 Corporate income tax**

Income tax on the profit and loss for the period comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax liability is calculated in accordance with the tax regulations of the state of residence of the Company and is based on the income or loss reported under local accounting regulations, adjusted for appropriate permanent and temporary differences from taxable income. Income taxes are calculated on an individual Company basis as the tax laws do not permit consolidated tax returns.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted in the expected period of settlement of deferred tax.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### **4.11 Share-based payment transactions**

Share-based payment transactions are recognised over the period in which the performance and/or service conditions are fulfilled. Equity-settled transactions are recognised in other capital reserves in equity, while cash-settled transactions are recognised as a liability, including transactions with instruments that contain put features.

The Company runs cash-settled transactions or transactions with shares that contain put features. The cumulative expense recognised for share-based payment transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of instruments that will ultimately vest with recognition of a corresponding liability. The liability is re-measured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognised in profit and loss.



## **JAB Holding Company S.à r.l., Luxembourg**

### **4.12 Preparation of the cash flow statement**

The cash flow statement is presented using the indirect method. Net cash flows from operating activities are reconciled from profit before tax from continuing operations.

Changes in balance sheet items that have not resulted in cash flows such as translation differences, fair value changes, contributions in kind, conversions of debt to equity etc. have been eliminated for the purpose of preparing this statement.

Dividends paid and capital repayments to ordinary shareholders are included in financing activities. Dividends, capital repayments from investees and interest received are classified as investing activities. Interest paid is included in financing activities.

### **4.13 Changes in accounting policies and disclosures**

#### **New and amended standards adopted by the Company**

A number of amended standards issued by the International Accounting Standards Board (IASB) are effective for the first time for an accounting period that begins on or after 1 January 2014.

These include Amendments to IAS 32 *Offsetting Financial Assets and Financial Liabilities*, Amendments to IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets*, Amendments to IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting*. Their adoption has not had any significant impact on the financial statements of the Company but may impact the accounting for future transactions or arrangements.

#### **New standards and interpretations not yet adopted by the Company**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except for IFRS 9 *Financial Instruments* (2014), which becomes mandatory for the Company's 2018 financial statements. IFRS 9 introduces new requirements for how an entity should classify and measure financial assets, includes new requirements for hedge accounting and changes the current rules for impairment of financial assets. The Company does not plan to adopt these standards early and is currently assessing the impact of IFRS 9. The standard has yet to be endorsed by the EU.

**JAB Holding Company S.à r.l., Luxembourg****5. Subsidiaries**

At year-end, the Company holds interest in the following subsidiaries:

	<b>2014</b>	<b>2013</b>
	<b>%</b>	<b>%</b>
JAB Investments S.à r.l., 5, rue Goethe, 1637 Luxembourg	100.0	100.0

	<b>2014</b>	<b>2013</b>
	<b>in \$k</b>	<b>in \$k</b>
JAB Investments S.à r.l.		
Share Capital	25	25
Equity	16,162,443	9,126,214
Result for the year	-6,411	-5,622

The movements in the investments in subsidiaries can be detailed as follows:

	<b>JAB Investments S.à r.l. in \$k</b>
Balance as of 31 December 2012	7,752,660
Contribution	60,678
Capital repayment	-125,220
Fair Value Adjustment	1,438,096
<b>Balance as of 31 December 2013</b>	<b>9,126,214</b>
Contribution	5,143,500
Capital repayment	-367,923
Fair Value Adjustment	2,260,652
<b>Balance as of 31 December 2014</b>	<b>16,162,443</b>

The contributions in 2013 include cash contributions of \$10.5m and contributions of loans with a volume of \$50.2m. The loans contributed result from the issue of redeemable shares.

The contributions in 2014 include the push-down of the participation in JAB Holdings II B.V. to JAB Holdings B.V. (via JAB Investments S.à r.l.) by the Company (for more details please refer to note 1) in the amount of \$5.139m, cash contributions of \$3.5m and the contribution of a loan with a volume of \$1.0m.

## JAB Holding Company S.à r.l., Luxembourg

All contributions were measured at fair value at the time of contribution. After initial measurement the subsidiary is subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income and impairment losses recognized through profit or loss.

### 6. Other receivables

	2014 in \$k	2013 in \$k
JAB Holding Company LLC	1,391	1,496
Deposits	5	6
	<u>1,396</u>	<u>1,502</u>

Other receivables as of 31 December 2014 mainly relate to a service agreement with JAB Holding Company LLC (formerly: Joh. A. Benckiser AdvisorCo LLC).

The other receivables are short-term. The receivables with JAB Holding Company LLC are typically settled quarterly throughout the year.

### 7. Cash and cash equivalents

Cash and cash equivalents as of 31 December 2014 in the amount of \$0.3m (2013: \$0.1m) only include bank deposits available on demand.

### 8. Shareholder's equity

#### 8.1 Share capital and share premium

The Company was formed by Agnaten SE with a share capital of \$100,000 by the issue of 100,000 ordinary shares of \$1.00 each. These shares were cancelled and upon further contributions a total of 5,342,200 Class A shares of nominal value of \$1.00 and a share premium of \$999.00 each were issued to Agnaten SE.

In January 2014, Donata Holdings B.V. contributed its whole participation in JAB Holdings II B.V. to the Company in return for Class A shares in the Company. Class A shares were increased to 8,800,200.

As of 31 December 2014 the Company's share capital and share premium recognised in equity consists of 8,800,200 Class A shares with a total nominal value of \$8.8m (2013: \$5.3m) and a share premium of \$10,038.2m (2013: \$5,235.5m).



**JAB Holding Company S.à r.l., Luxembourg**

At year-end issued capital comprises:

	<b>2014</b>		<b>2013</b>	
	Number	Nominal Value in \$k	Number	Nominal Value in \$k
Ordinary Class A shares	8,800,200	8,800	5,342,200	5,342
Ordinary Class B shares	398,292	398	394,963	395
Special Class S shares	682,310	682	666,665	667
<b>Issued share capital</b>	<b>9,880,802</b>	<b>9,881</b>	<b>6,403,828</b>	<b>6,404</b>

Class A Shares are recognised as equity. Class B shares and Class S shares are redeemable under certain conditions that are out of the Company's control. The redeemable shares have been classified as liabilities (see note 9).

In 2014, no dividend was paid to the Class A shareholders (2013: \$0). Capital repayments out of the share premium in the amount of \$332.9m (2013: \$101.3m) were made directly from JAB Holdings B.V. to shareholders of Class A shares.

In respect of the current year, the directors propose no dividend and to carry forward the retained earnings. This proposal is subject to approval by shareholders at the annual general meeting.

**8.2 Fair value reserve**

The available-for-sale reserve in the amount of \$5,772.2m (2013: \$3,511.6m) records the fair value change in the Company's subsidiary JAB Investments. The available-for-sale reserve includes income tax relating to the fair value change in the amount of \$0.

**JAB Holding Company S.à r.l., Luxembourg****9. Redeemable shares**

Different classes of the Company's shares contain put features. The shares are redeemable under certain conditions that are out of the Company's control. As such the shares are recognised as liability.

The redeemable shares are carried at the redemption amount that would be payable as of the balance sheet date if the holders would put the shares at this date.

The redemption amount is determined based on valuation rules that have been contractually agreed with the shareholders. As of 31 December the redemption amount is calculated on the basis of the Company's direct and indirect investments. For prior reporting periods, the redemption amount was determined on the basis of a virtual pool including the Company's direct and indirect investments as well as the direct and indirect investments of JAB Holdings II B.V. In January 2014, JAB Holdings II B.V. was contributed to the Company and subsequently merged into the Company's indirect subsidiary JAB Holdings B.V. Therefore, substantially the calculation base remained comparable and the redemption amount has been determined consistently with prior years.

The redeemable shares are carried at \$831.6m (2013: \$778.6m), including shares held by the management in the amount of \$709.3m (2013: \$662.5m).

Shares with a redemption amount of \$122.2m (2013: \$116.1m) are redeemable from January 2017 on and presented as non-current liabilities. Shares with a redemption amount of \$709.3m (2013: \$662.5m) are redeemable in short-term, if specific criteria are met and presented as current liabilities. However, the Company does not expect that such criteria will be met in the short-term.

The right to put the shares will be suspended if the redemption would lead to a default under the financing agreements of the indirect subsidiary JAB Holdings B.V.

In 2014, 3,329 redeemable ordinary shares (2013: 49,260 redeemable ordinary shares) of different classes and 15,645 redeemable special shares (2013: 0 redeemable special shares) (five special shares matching one ordinary share) with a nominal value of \$1.00 each and a total share premium of \$10.4m (2013: \$73.5m), thereof contributed \$10.4m (2013: \$73.5m), out of which \$9.4m were paid in cash, and outstanding \$0.0m (2013: \$0.0m), were issued. Additionally, outstanding share premiums of \$0.0m were contributed in 2014 (2013: \$9.7m).

In 2014, no dividend was paid to Class B and special Class S shareholders out of retained earnings (2013: \$0). Capital repayments to these shareholders in the amount of \$20.1m were made during 2014 (2013: \$11.5m).

**JAB Holding Company S.à r.l., Luxembourg****10. Share-based payments****10.1 Share Purchase Agreements**

The Company has share purchase agreements with the members of the Advisory Committee as well as with members of its management team and executives and senior managers of the Company and its affiliates. The shares contain put features to sell shares back to the Company for cash. As such the shares are recorded as a liability at the potential redemption amount (see note 9).

During the year 3,329 ordinary shares (2013: 35,963 ordinary shares) and 15,645 special shares (five special shares matching one ordinary share) (2013: 0 special shares) with a nominal value of \$1.00 each and a total share premium of \$10.4m (2013: \$53.5m), thereof contributed \$10.4m (2013: \$53.5m) and outstanding \$0.0m (2013: \$0.0m) were issued under these share purchase agreements. Additionally, outstanding share premiums of \$0.0m were contributed in 2014 (2013: \$9.7m). The average issue price (for one ordinary share or five special shares) was \$1,598 (2013: \$1,488).

Members of the Company's management team and executives and senior managers of the Company and its affiliates were granted boni for the subscription of shares in the Company. The boni were paid by set-off against the obligation to pay a corresponding number of 9,387 (2013: 8,553) shares subscribed. The Company qualified this transaction as share-based-payment under IFRS 2. Its fair value corresponds to the issue price of the share of \$1,598 per share (2013: 1,501 per share). The bonus shares are without performance conditions and have a cliff vesting after 5 years with the compensation expense recognised during the vesting year. The shares contain put features to sell shares back to the Company for cash. As such the vested shares are recorded as a liability at the potential redemption amount as of 31 December 2014.

The expense recognised arising from share-purchase agreements during the year was \$3.0m (2013: \$2.9m).

**10.2 Share-option schemes**

The Company has share option schemes for the members of the Advisory Committee as well as members of its management team and executives and senior managers of the Company and its affiliates. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. The exercise of an option will be suspended if the redemption would lead to a default under the financing agreements of the indirect subsidiary JAB Holdings B.V.

All options related to share based compensation plans were granted at the redemption amount of the underlying shares (see note 9).

The options are settled in cash by payment of the net value of the option. The net value is determined by the amount, if any, by which the redemption amount per share at the exercise date exceeds the strike price. Alternatively the holder of the option – at the grant of the option – may waive the right for cash settlement. In case of such a waiver the option will be settled either by payment of the strike price in cash for the issue of the corresponding new shares or in a cashless

**JAB Holding Company S.à r.l., Luxembourg**

way by the issue of new shares with a combined redemption amount which is equal to the net value of the options that have been exercised. The Company's share-based compensation plans are accounted for as liability as they either allow for cash settlement or in case of non-cash-settlement contain put features to sell shares back to the Company for cash. The options are time vesting (5 years) without performance restrictions and have a graded vesting or a cliff vesting with the compensation expense recognised during the vesting period.

Options granted	Number of Options	Vesting Conditions	Contractual Life of Options
2012	1,160,000	Graded vesting over vesting period of five service years (annual installments) from grant date	10 years
2012	82,110	Vesting after 5 years' service from grant date	10 years
2013	40,000	Graded vesting over vesting period of five service years (annual installments) from grant date	10 years
2013	67,890	Vesting after 5 years' service from grant date	10 years
2014	19,374	Vesting after 5 years' service from grant date	10 years
Total number of Options	1,369,374		

The carrying amount of the liability relating to the share option schemes as of 31 December 2014 is \$746.0m (2013: \$568.8m). No options had vested as of 31 December 2014. The expense recognised for the period arising from the share-option schemes during the year was \$177.2m (2013: \$298.0m).

The fair value of each option grant was estimated on the date of grant using the Black-Scholes option-pricing model. This model takes into account the characteristics of the plan such as the exercise price and exercise period, and market data at the grant date such as the risk-free rate, share price (redemption amount), volatility, expected dividends and behavioural assumptions regarding beneficiaries. The expected life of the options is based on management's assumptions and is below the contractual life. The expected volatility is based on a peer group analysis using historical information, which may also not necessarily be the actual outcome.

**JAB Holding Company S.à r.l., Luxembourg**

The following table lists the weighted average inputs to the model used for the share option schemes granted for the year ended 31 December 2014:

	2014	2013
Dividend yield (%)	0.70 %	0.70 %
Expected volatility (%)	30.00 %	30.00 %
Risk-free interest rate (%)	2.28 %	2.49 %
Expected life of options (years)	7.50 years	7.50 years
Exercise price (USD)	1,598	1,488
Share price (redemption amount) (USD)	1,598	1,488

The weighted average fair value of options granted during the year was \$544 (2013: \$537).

The following table illustrates the number and weighted average exercise prices of, and movements in, share option schemes during the year:

	Number of options 2014	Weighted average exercise price 2014	Number of options 2013	Weighted average exercise price 2013
Balance at beginning of year (outstanding)	1,350,000	1,050	1,242,110	1,012
Granted during the year	19,374	1,598	107,890	1,488
Forfeited during the year	0	0	0	0
Exercised during the year	0	0	0	0
Balance at end of year (outstanding)	1,369,374	1,058	1,350,000	1,050
Exercisable at end of year	0	0	0	0

No share options were exercised during the year. There have been no cancellations or modifications to any share option schemes during the year.

The range of exercise prices for options outstanding at the end of the year was \$1,000.00 to 1,598.00 (2013: \$1,000.00 to 1,501.00). The weighted average remaining contractual life was 7.20 years (2013: 8.17 years).

## JAB Holding Company S.à r.l., Luxembourg

## 11. Other liabilities

	2014 in \$k	2013 in \$k
Share-based transactions	745,974	568,809
Trade and other payables	1,152	1,221
Current income taxes	0	5
Others	8	0
	<b>747,134</b>	<b>570,034</b>
thereof current	1,160	1,225
thereof non current	745,974	568,809

An analysis of share-based transaction accrual and share-option schemes is provided in note 10.2. Accrued service costs, trade and other payables and payables to related parties will be settled in short-term.

## 12. Finance income and expense

Finance income can be specified as follows:

	2014 in \$k	2013 in \$k
Interest income	0	20
	<b>0</b>	<b>20</b>

Finance expenses can be specified as follows:

	2014 in \$k	2013 in \$k
Change in redemption amount of redeemable shares	-60,945	-104,860
Net foreign exchange loss	-1	-2
	<b>-60,946</b>	<b>-104,862</b>

Changes in the measurement of redeemable shares (see note 9) are recognised in profit and loss.

**JAB Holding Company S.à r.l., Luxembourg****13. General and administrative expenses**

General and administrative expenses can be detailed as follows:

	<b>2014</b> in \$k	<b>2013</b> in \$k
Salary and personnel related expenses	-1,432	-1,589
Service fees	-197,659	-312,061
Legal, tax, audit and consultancy fees	-469	-427
Others	0	-147
	<b><u>-199,560</u></b>	<b><u>-314,224</u></b>

Service and other fees include expenses for share-based payment transactions in the amount of \$180.2m (2013: \$301.8m).

**14. Taxation**

The Company has a net loss carry-forward amounting to approximately \$67.5m (2013: \$43.4m). A deferred tax asset has not been recognised, due to the uncertainty of the future taxable income.

The reconciliation of the movement in the loss carry-forward can be detailed as follows:

	<b>2014</b> in \$k	<b>2013</b> in \$k
Accounting profit / (loss) for the period	-260,507	-419,070
Income tax expense	7	4
Non-deductible expenses for tax purposes	238,111	404,670
Adjustments prior year	-1,750	0
Taxable profit /(loss)	<b><u>-24,139</u></b>	<b><u>-14,396</u></b>

**15. Related parties****15.1 Agnaten SE**

Agnaten SE, Vienna, is the majority shareholder of JAB Holding Company S.à r.l. Agnaten SE has established the Company and is a party in the comprehensive agreement with Lucesca SE and the Advisory Committee.



## **JAB Holding Company S.à r.l., Luxembourg**

### **15.2 Donata Holdings B.V.**

Donata Holdings B.V., Amsterdam, is a minority shareholder of JAB Holding Company S.à r.l.

### **15.3 Lucreca SE and affiliated companies**

Lucreca SE, Vienna, is the shareholder of Donata Holdings B.V. Lucreca SE is a holding Company controlled closely by members of the family of the shareholders of Agnaten SE. Lucreca SE is a party in the comprehensive agreement with the Advisory Committee.

### **15.4 JAB Investments S.à r.l.**

The Company holds a 100% share in JAB Investments s.à r.l., Luxembourg.

### **15.5 JAB Holdings B.V.**

JAB Holdings B.V., Amsterdam, is a 100% subsidiary of JAB Investments. JAB Holdings B.V.'s investments include participations in Reckitt Benckiser Group Plc., Indivior Plc., Acorn Holdings B.V. and JAB Beech Inc. (through JAB Forest B.V.), Coty Inc. (through JAB Cosmetics B.V.) and JAB Luxury GmbH (through Labelux Group GmbH).

### **15.6 JAB Consumer Fund**

JAB Consumer Fund was created to share the JAB investment strategy with professional and semi-professional investors.

### **15.7 Management**

The Company and its investments are managed by an Advisory Committee and further management including executives and senior managers of the Company and its affiliates. The Company's agreements with management comprise agreements on base remunerations, share-based payments as well as management's investment in the Company. Expenses for management's compensation amount to \$191.6m (2013: \$312.1m), thereof \$180.2m (2013: \$300.9m) with regard to share-based payment transactions.

### **15.8 Employees**

During the year the Company had two Managing Directors who received salaries of in total \$0.5m (2013: \$0.5m). The Company had on average three employees in 2014 (2013: three employees).



## **JAB Holding Company S.à r.l., Luxembourg**

### **16. Contingent liabilities**

At 31 December 2014 the Company provides a guarantee to banks for credit facilities of its affiliated Company JAB Holdings B.V. amounting to €1,750.0m (2013: €1,250.0m). Furthermore, the Company provides an unconditional and irrevocable guarantee for a bond liability of its affiliated company JAB Holdings B.V. amounting to €750.0m.

### **17. Financial instruments – Fair Value and Risk Management**

#### **17.1 Capital Management**

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors together with the Advisory Committee monitors the return on capital and the value enhancement of the Company's investments.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantage and security afforded by a sound capital position. The Company has no direct investments and no material liabilities except for liabilities due to share-based transactions and shares with put-rights. Its only material asset is the participation in JAB Investments, an intermediary holding company.

As of 31 December 2014 equity amounts to \$14,585.4m (2013: \$7,779.2m) and liabilities amount to \$1,578.7m (2013: \$1,348.7m).

The Company is not subject to externally imposed capital requirements.

## JAB Holding Company S.à r.l., Luxembourg

### 17.2 Financial instruments and fair value hierarchy

The Company classified its financial instruments by category as set out below:

	31 December 2014			31 December 2013		
	Loans and Receivables	Available-for- sale	Total	Loans and Receivables	Available-for- sale	Total
	in \$k	in \$k	in \$k	in \$k	in \$k	in \$k
Assets as per balance sheet						
Subsidiaries	0	16,162,443	16,162,443	0	9,126,214	9,126,214
Other Receivables	1,396	0	1,396	1,502	0	1,502
Cash and cash equivalents	277	0	277	143	0	143
<b>Total</b>	<b>1,673</b>	<b>16,162,443</b>	<b>16,164,116</b>	<b>1,645</b>	<b>9,126,214</b>	<b>9,127,859</b>

	31 December 2014			31 December 2013		
	Financial liabilities at amortised cost	Redeemable shares	Total	Financial liabilities at amortised cost	Redeemable shares	Total
	in \$k	in \$k	in \$k	in \$k	in \$k	in \$k
Liabilities as per balance sheet						
Redeemable shares	0	831,575	831,575	0	778,639	778,639
Other liabilities	1,160	0	1,160	1,221	0	1,221
<b>Total</b>	<b>1,160</b>	<b>831,575</b>	<b>832,735</b>	<b>1,221</b>	<b>778,639</b>	<b>779,860</b>

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

#### Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

#### Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to determine fair value of an instrument are observable, the instrument is included in level 2.

**JAB Holding Company S.à r.l., Luxembourg****Financial instruments in level 3**

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Financial instruments included in Level 3 comprise shares in JAB Investments and shares of the Company containing put features.

The table below analyses financial instruments carried at fair value by valuation technique. It does not include fair value information of financial assets and liabilities not measured at fair value because their carrying amounts are a reasonable approximate of fair values.

	31 December 2014			Total in \$k
	Level 1 in \$k	Level 2 in \$k	Level 3 in \$k	
<b>Available-for-sale financial assets</b>				
Subsidiaries				
Unlisted equity investments	0	0	16,162,443	16,162,443
<b>Total financial assets</b>	<b>0</b>	<b>0</b>	<b>16,162,443</b>	<b>16,162,443</b>
<b>Other liabilities</b>				
Redeemable shares	0	0	831,575	831,575
<b>Total financial liabilities</b>	<b>0</b>	<b>0</b>	<b>831,575</b>	<b>831,575</b>

	31 December 2013			Total in \$k
	Level 1 in \$k	Level 2 in \$k	Level 3 in \$k	
<b>Available-for-sale financial assets</b>				
Subsidiaries				
Unlisted equity investments	0	0	9,126,214	9,126,214
<b>Total financial assets</b>	<b>0</b>	<b>0</b>	<b>9,126,214</b>	<b>9,126,214</b>
<b>Other liabilities</b>				
Redeemable shares	0	0	778,639	778,639
<b>Total financial liabilities</b>	<b>0</b>	<b>0</b>	<b>778,639</b>	<b>778,639</b>

There were no transfers between the levels for the years ended 31 December 2014 and 31 December 2013.

Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period.

**JAB Holding Company S.à r.l., Luxembourg**

The following tables show a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 between the beginning and the end of the reporting period.

	<b>Subsidiaries</b>	
	Unlisted equity investments	
	<b>2014</b>	<b>2013</b>
	in \$k	in \$k
<b>Balance as of 1 January</b>	9,126,214	7,752,660
Contributions	5,143,500	60,678
Capital repayment	-367,923	-125,220
Fair value adjustment	2,260,652	1,438,096
<b>Balance as of 31 December</b>	<b>16,162,443</b>	<b>9,126,214</b>

As of 31 December 2014 the unlisted equity investments relate to the 100% participation in JAB Investments. JAB Investments is a holding company with direct participation in JAB Holdings B.V. As of 31 December 2014 the fair value was determined by using valuation techniques. The valuation accounts for JAB Investments' objective to act as a holding company. JAB Investments fair value is estimated as its net asset value and is calculated as the total fair value of its assets and liabilities. The main asset of JAB Investments is its participation in JAB Holdings B.V. with a diversified investment portfolio that includes assets that are traded on a securities exchange (level 1) as well as assets and liabilities that are valued by valuation techniques (level 2 and level 3). The assets are generally valued by objective criteria on an evaluation by the management.

Determination of JAB Investments' net asset value can be detailed as follows (including indirect investments through JAB Holdings B.V.):

	<b>2014</b>	<b>2013</b>
	in \$k	in \$k
Equity investments measured using level 1	11,853,416	6,077,970
Derivative instruments measured using level 2	-130,671	-51,239
Equity investments measured using level 3	4,599,696	2,832,404
Loans receivable	1,523,822	1,430,142
Loans payable	-1,812,826	-1,186,027
Cash and cash equivalents	91,433	16,395
Other assets and liabilities	37,573	6,569
<b>Net asset value</b>	<b>16,162,443</b>	<b>9,126,214</b>

Level 3 valuation techniques of equity investments are appropriate in the circumstance and reflect recent transactions and market multiples.

**JAB Holding Company S.à r.l., Luxembourg**

Cash and cash equivalents, loans receivable, loans payable and other assets and liabilities were valued at amortised cost which are a reasonable approximate of fair values.

The following table shows the movements of redeemable shares.

	<b>Redeemable shares</b>	
	<b>2014</b> in \$k	<b>2013</b> in \$k
<b>Balance as of 1 January</b>	778,639	602,263
Capital Increase	10,440	83,041
Capital Repayment	-20,139	-11,525
Change in Fair Value	62,634	104,860
<b>Balance as of 31 December</b>	<b>831,574</b>	<b>778,639</b>

The Company recorded its own shares containing put features as liability at the potential redemption amount, which is determined using Level 3 and based on valuation rules that have been contractually agreed with the shareholders.

**17.3 Overview of financial risk factors**

The Company has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk;
- market risk.

Information is presented about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors has ultimate responsibility for the establishment and oversight of the Company's risk management framework but has delegated the responsibility for identifying and controlling risks to the Company's operative management.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The risk management system is an ongoing process of identification, measurement, monitoring and controlling risks. The Company, through its management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

**JAB Holding Company S.à r.l., Luxembourg****17.4 Credit risk**

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from counterparties.

*Trade and other receivables*

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. As all counterparties are related parties the risk is limited.

*Cash at bank*

The Company's cash is placed with quality financial institutions, such that management does not expect these institutions to fail to meet repayments of amounts held in the name of the Company.

*Guarantees*

The Company's policy generally is to avoid providing financial guarantees to third parties. As of 31 December 2014 the Company provides a guarantee to banks for credit facilities of its affiliated Company JAB Holdings B.V. amounting to €1,750.0m. Furthermore, the Company provides an unconditional and irrevocable guarantee for a bond liability of its affiliated company JAB Holdings B.V. amounting to €750.0m.

**Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	Carrying Amount	
		2014 in \$k	2013 in \$k
Other receivables	6	1,396	1,502
Cash and cash equivalents	7	277	143
		<u>1,673</u>	<u>1,645</u>

**17.5 Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company actively manages cash flow requirements. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

## **JAB Holding Company S.à r.l., Luxembourg**

### **17.6 Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### **17.7 Summary of risks**

The Company is a holding company with its 100% subsidiary JAB Investments as its only significant asset and indirectly exposed to its credit, liquidity and market risk. JAB Investments itself only has one significant asset – the participation in the 100% subsidiary JAB Holdings B.V. JAB Holdings B.V. is an investment and financing company with a diversified investment portfolio. JAB Holdings B.V.'s investments include participations in Reckitt Benckiser Group Plc., Indivior Plc., Acorn Holdings B.V. and JAB Beech Inc. (through JAB Forest B.V.), Coty Inc. (through JAB Cosmetics B.V.) and JAB Luxury GmbH (through Labelux Group GmbH).

Significant liquidity and market risks regarding the Company's liabilities are relating to the redeemable shares of the Company's minority shareholders. Shares with a redemption amount of \$122.2m (valuation as of 31 December 2014) (2013: \$116.1m) are redeemable from January 2017 on. Shares with a redemption amount of \$709.3m (valuation as of 31 December 2014) (2013: \$662.5m) are redeemable in short-term, if specific criteria are met. However, the Company does not expect that such criteria will be met in the short-term. The right to put the shares would be suspended if the redemption would lead to a default under the financing agreements of the indirect subsidiary JAB Holdings B.V.

There are no further significant assets or liabilities that could be exposed to material credit, liquidity or market risks.

**JAB Holding Company S.à r.l., Luxembourg**

**18. Subsequent events**

In January 2015 further redeemable shares have been issued for an amount of \$5m.

In January 2015 the Company has made \$75m distributions to its shareholders.

Luxembourg, 12 March 2015

Managing Directors:

M. Hopmann

J. Creus





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To the Board of Managers of  
JAB Holding Company S.à r.l.  
5, rue Goethe  
L-1637 Luxembourg

## REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Following our appointment by the Board of Managers, we have audited the accompanying financial statements of JAB Holding Company S.à r.l., which comprise the balance sheet as at 31 December 2014, the statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Board of Managers' responsibility for the financial statements*

The Board of Managers is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Board of Managers determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Responsibility of the Réviseur d'Entreprises agréé*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgement of the Réviseur d'Entreprises agréé, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Managers, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of JAB Holding Company S.à r.l. as of December 31, 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Luxembourg, March 12, 2015

KPMG Luxembourg  
Société coopérative  
Cabinet de révision agréé

A handwritten signature in black ink, appearing to read 'Frauke Oddone', written over a horizontal line.

Frauke Oddone

**Appendix to the annual accounts as at 31<sup>st</sup> December 2014**

**JAB Holding Company S.à r.l.**

*société à responsabilité limitée*

Registered office: 5, rue Goethe, L-1637 Luxembourg,

R.C.S. Luxembourg: B 164.586

Share capital: USD 9,896,427.-

CDO 751

**USD 1,000**

Result for the financial year ended 31 December 2014: (USD 260,507)

Allocation of the result for the financial year ended 31 December 2014:

Result carried forward: (USD 260,507)

Luxembourg, 9 April 2015



Carsten Söns  
*Mandataire*